

# Swastika Over Mexico

By Frank Gervasi

**Peace or war, what Adolf Hitler and Joe Stalin are doing in Mexico can mean only one thing for the United States. That's Trouble**



**Señor Arturo Dietrich, press attaché of the German legation in Mexico City, is organizing his fifth column without opposition**

**I**N THE Calle de Ave Maria No. 8, in somnolent old Coyoacán where Conquistador Cortes halted to refresh his battle-weary troops before descending upon what is now Mexico City, there is an ancient convent. Long ago, penitent nuns walked in the cool patio of the convent quadrangle. Coyoacán is Indian for Lair of the Wolf. The convent has come into its own. It is the headquarters now of the Gestapo.

The weathered wall is at least a foot thick. On one side there is a heavy double door, wide enough to admit an automobile. Through that door Nazi agents enter, fresh from Berlin, most of them ex-members of the German Condor Legion that helped Generalissimo Franco conquer Spain. They emerge equipped with Mexican passports and scatter northward into the United States and southward to Guatemala, Panama, Brazil, Chile, the Argentine—to the twenty Latin-American countries, there to work with the Communists, Fascists, the Japanese to foment hatred of Yanqui Imperialism and prepare for Der Tag in the Western Hemisphere.

To dig up the truth about Stalinazi activities in Mexico is as simple as placer mining. A squirt of questions and the facts emerge. Honest Mexicans hate the Nazis and the Stalinists and detest what they are doing because, fundamentally, they are not anti-American. The Mexicans talk freely, produce documentary evidence and point out where agents and spies play and work.

With the balance of power threatened by the totalitarian war against Britain and France, the situation already created by the dictators' agents on this continent has become one of immediate concern to the United States. Should the balance tip definitely in favor of the totalitarian states with victory over the Allies, the threat to us becomes more than merely political and economic.



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**Nominal editor of Germany's propaganda magazine Rudder is José Vasconcellos, who gets both his orders and money from Dietrich**

At the absurd worst, America faces armed invasion from the south anywhere along the unguarded, unfortified, loosely policed 1,700 miles of winding frontier. At the plausible best, America is confronted with the likelihood of guerrilla raids. These would hold American troops on the southern frontier when Der Tag comes to the Western world, troops that might be needed elsewhere.

### **A Fifth-Column Paradise**

In the event of American involvement in war Mexico is a natural base for foreign spies, saboteurs, labor agitators and fifth columnists of every description. Remote Mexican ports are potential hiding places for submarines and mine layers. These could also be used for the unloading of arms and munitions for use against the United States or any Latin-American countries that might be allied to America.

Radio stations in Mexico could guide the activities of enemy submarines in the Atlantic and the Pacific. The Germans have one station already—in the Calle de Ave Maria convent. They are reputed to have others.

Only twenty-five years ago Germans attempted and partially succeeded in using Mexico as a base for operations against us. The presence in Mexican waters of the German munitions ship Ypiranga led to the American seizure of Vera Cruz. President Wilson was obliged to send General "Black Jack" Pershing into Mexico to subdue Pancho Villa. Spies and agents entering the United States from Mexico were responsible for the Black Tom explosion and numerous other acts of sabotage.

But then there wasn't an Adolf Hitler, nor a Stalin, nor an empire-hungry Mussolini, nor an expanding Japan. As you've seen by the papers, things have changed. Espionage and sabotage have become fine arts, and Germany and Russia their ablest practitioners. Nazi Germany and Soviet Russia are the two principal enemies south of the border, ably supported by the Japanese and the Fascists. The influence in Mexico of the latter two, however, is more difficult to prove. Either they are more subtle than their brethren or are more interested farther south, in Chile and Brazil.



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**Vicente Toledano, head of the powerful Mexican Workers Federation, is called both a Communist agent and a Nazi sympathizer**

Back in the good old days of collective security and an invincible British fleet, the American sense of security about the Mexican border was justifiable. We didn't have to worry, then, about Señor Arturo Dietrich, the press attaché to the German legation in Mexico City. His propaganda could never hurt us. But Arturo Dietrich is a dangerous enemy now. Geneva is dead. Britannia may not much longer rule the seas. Joe Stalin has turned out to be a heel. Adolf Hitler may succeed in building that empire he blueprinted in *Mein Kampf*. Japan has survived the Chinese adventure and editorial left hooks have failed to knock Mussolini off his peasant pins. And Herr Dietrich, unchallenged, is mobilizing his fifth column in Old Mexico.

So widespread are German activities in Mexico that in addition to the Gestapo headquarters in Calle de Ave Maria, the staffs of the embassy and of Herr Dietrich occupy three other buildings. One is located in Calle de Viena 17. Another is in Calle de



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Cordoba 14 and the fourth is in Calle de Carranza 35. Calle de Viena 17 is propaganda center.

### Propaganda That Works

From propaganda headquarters, Dietrich distributes, as official press attaché of the German legation with full diplomatic ranking, the German side of the news. He sells at a nominal fee, or it's gratis if the newspapers can't pay, a complete report of transocean, subsidiary service of DNB, the official Nazi news service.

Masterpiece of propaganda is Dietrich's Timon, a new monthly magazine. Timon means "rudder." The editorial helmsman nominally is José Vasconcellos, former presidential candidate, Mexican lawyer, historian and anti-American. He gets his orders and a monthly check for 4,000 pesos, equivalent to about 650 American dollars, from Dietrich.

The issue of May 25th contained an article signed by Wolfgang Frank, German propagandist, detailing the romantic self-sacrifice of the German U-boat commanders; two pages of beautifully drawn portraits of Hitler, Goebbels, members of the German high command and other Nazi notables, all of whom had exceptionally ethereal expressions; a series of drawings portraying the work and heroism of Nazi parachutists; cartoons lampooning France and England, and an editorial attack on the United States. Here's a sample: "The American continent has nothing to fear from a German victory. There is no immediate danger for the United States. . . . We have never seen democracy without imperialistic intrigue and plutocracy. In England, as in the United States. . . ."

Dietrich, as press attaché, has other functions. He is the pay-off man for the two-check boys within the Mexican government itself. It was Dietrich who bought from a recently jailed functionary in the passport division of the Ministry of Foreign Affairs twenty-five blank passports each month, for a period of months. The passports were filled in with photographs and spurious biographical data necessary to convert former Condor Legionnaires into Mexican citizens prior to their departure from Calle de Ave Maria for New York, Buenos Aires and Santiago.

Dietrich also has charge of the levies placed upon the German families to support the Nazi organization in Mexico. There were about 5,000 Nazi families here before the war started. Recently there has been a perceptible increase in the number of Germans seen in Mexico City and other principal towns. These are all ostensibly "salesmen," but what they have to sell, with German industries devoted exclusively to war needs and German ships trapped by the blockade, nobody knows. It is assumed that they are here preparatory to launching a big German commercial drive after a Nazi victory. Meanwhile, these salesmen participate in party activities in Latin America.

Britain and France recalled male citizens of military age when (Continued on page 53) the war started. Germany did not. The Nazi youths can be seen any day at the popular tearooms.

Dietrich came to Mexico fourteen years ago. He was manager of a ranch in the state of Hidalgo until he disappeared, together with 80,000 pesos. He was caught and jailed in the Pachuca hoosegow in Hidalgo. In 1934 or 1935 he became press attaché to the Ger-



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man legation in Mexico City. During the Spanish Civil War, he was press chief for the Nazis in Burgos or Salamanca, but was expelled by General Franco when he was found to have been involved in an abortive rebellion of Falangists against Franco.

Dietrich then returned to Mexico. One of his lieutenants is Doctor H. Herzer, who operates an innocent-looking chemist's shop in Calle de Carranza No. 35. Herr Doctor Herzer was a first lieutenant in the German army until a few weeks ago, when he was made a full captain. Rumormongers say that this means the good apothecary earned a promotion "in active service."

Up to now we have dealt with obvious facts. Just for fun, let us examine some of the less provable accusations against the Germans.

On the morning of May 31, 1938, a few days after the expropriation by the Mexican government of \$400,000,000 worth of foreign-held oil property, Herr Otto Ernest Friederich Probst, geologist, was found very dead in his room in the Hotel Bristol. Herr Probst was an excellent geologist but he was also a very heavy drinker.

The gossips here and about say that his death was strange indeed. He was found strangled by a short length of clothesline, one end tied in a slipknot around his fat neck, the other attached to the head of the bedstead. He hanged himself by the simple expedient of slipping down the side of the bed. He was found, however, seated on the floor, with his feet crossed. Reporters noted these strange details. The body's air of repose was suspicious.

Under Mexican law an autopsy is mandatory. None was made. Exhumation of the body was blocked by the German legation. The gossips insist, putting together one thing and another, that Herr Probst was poisoned because immediately following the expropriation he had been heard bragging in public places while in his cups that the Nazis had bribed the workers through the Communist party to strike against the oil companies. It was the succession of labor disturbances, with mounting demands for higher wages by the Communist-inspired workers that brought about the impasse between the companies and the labor organizations that paved the way for expropriation.

### The Gestapo is Busy, Too

Because he deals with the printed word, the activities of Herr Dietrich are mostly above ground and detectable. The work of the German Secret Service is more difficult to trace. Most of its agents are disguised as drummers. In addition to the Calle de Ave Maria station, the Germans have another known station for short-wave transmission mounted in a motor truck. News from the state of Campeche has it that materials for a big sending station have been received there.

Rumors of arms smuggling in the remote ports along the southeastern coast of Mexico, of hidden airplanes, of sixty-four pursuit planes received in an arms shipment debarked at Puerto Mexico,



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create so much smoke that even the most skeptical reporter admits to himself there must be fire somewhere. The citizens of the state of Chiapas are supposed to have been armed with rifles and pistols.

More evidence—factual and circumstantial—of Nazi boring from within comes to the correspondent in Mexico than was available, for example, concerning Nazi activities in Holland a few months before that country was invaded by the Germans. There are striking similarities in the material obtainable, but here there is less tendency to pooh-pooh than there was in smug, self-contained Holland.

Internal politics is the field of operation for the Nazi Gestapo and their propaganda brethren. Their scope is to keep the internal situation in constant turmoil, penetrate as far as possible ideologically and culturally and grab markets. At least these are provable functions. A turbulent Mexico spells trouble for America in peace or war.

The Stalinists operate, instead, in the labor field. The government itself, although avowedly non-Communist, is collectivist and at least Socialist in its program. It has the support of the legally constituted Communist party and of the CTM, the Mexican Workers Confederation, roughly the equivalent of the C.I.O., whose leader, Vicente Lombardo Toledano, is the Italo-Mexican counterpart of John L. Lewis. It is rumored that he has signed a secret accord with the Nazis, but the report may be spurious. The only real evidence of his pro-Nazi sympathies are contained in the editorial policy of his official newspaper.

### The Men to Watch

Leon Trotsky, the goat-bearded Bolshevik exile, publicly denounced Toledano to me as a "tool of the Kremlin," but admitted that the labor leader is not a member of the Communist party.

The Socialist muralist, Diego Rivera, subscribes to Trotsky's accusation that Toledano, dictator of Mexican labor, is an agent of Moscow. Toledano was at least responsible for the entry into Mexico of such prominent Moscow affiliates as Julio Alvarez Del Vayo, former foreigner Minister of the Loyalist government of Spain; Indalecio Prieto, ex-Minister of War, and General Miaja, the "defender of Madrid." Del Vayo and Miaja are in America. Del Vayo obtained an American visa after strenuous but futile objections by the American Consular staff in Mexico City. Nobody seems to know how Miaja got his.

Here is a partial list of men in the government who are Communists:

In the private entourage of President Cardenas: Attorney Enrique Calderon, chief of the department of presidential studies; Attorney Mario Souza; Attorney Manuel Villasenor, president of the Society of the U.S.S.R.; Anna Maria Reyna, OGPU agent.

In the War Ministry: Colonel Calvo Ramirez, member of the General Staff, member of the Communist party since 1920; Colonel Saucedo, also a party member since 1920.

In the Ministry of the Treasury: At-



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torney Raul Martinez Ostos, party member and private secretary to the Secretary of the Treasury; Lizt Arzubide, a German; Attorney Luiz Sanchez Ponton.

In government banks: Enrique Gonzalez Aparicio, manager of the Bank of Popular Credit, member of the CTM and the Communist party; Manuel Meza, engineer.

The list is endless. Stalinists and Ogpu agents are named in private banks, in the Teachers' Union, the Ministry of Communications and Public Works, on the government newspaper, "El Nacional." Thirty-seven members of the Chamber of Deputies are named as Moscow agents.

The list, so far, has not been challenged.

Japan's interests in Mexico are frankly commercial, naval and military. Tokyo's tuna-fishing fleets have practically driven American and Mexican boats from waters off Lower California. They have established large colonies in the Mexican appendix and along the western coast. At least 30,000 Japanese live and work in Mexico.

Eighty per cent of the stock of the Kaishan Company, owner of the fishing fleet which has central offices in Mexico City, is owned by the Japanese government. The boats operating off the west coast are former British coast guard vessels, steel-hulled, and equipped with emplacements for 3-inch guns and machine guns. They can be turned into fighting ships in the time it takes to mount the weapons.

The fishermen's vessels average 650 tons. They can carry torpedoes, munitions, mines and supplies for Japanese warships operating in California waters. All vessels have good radios.

A number of ships have been observed taking soundings in bays and along the shore line south of San Diego.

The Japs are out for oil. They, like Italy and Germany, are getting a large share of the swag from the pilfered expropriated oil. Japan obtained from Mexico during 1938, 1939 and in the months of 1940 to date, approximately 600,000 barrels. Tokyo is dickering now for millions of tons of petroleum. Is Japan also preparing to go to war?

To combat the activities of the totalitarian enemies of democracy and capitalism in Mexico and the rest of Latin America, the United States is poorly equipped. In our embassy in Mexico City there are no funds for counter-espionage or for the organization needed to gather accurate data upon the anti-American activities of foreign agencies.

Ambassador Josephus Daniels is ridiculed and lampooned as a weak old man and there are those who remember him as the American Secretary of the Navy when Vera Cruz was shelled. The Nazis don't allow the Mexicans to get over their hate hang-over.

The United States is confronted in Mexico, as in all Latin America, with a monumental test of its tact and diplomacy. In the proportion that Washington succeeds in combatting subversive influences operating within these nations, without further alienating the affections of Mexico and the republics to the south, America will have succeeded



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in preserving democracy in the Western Hemisphere.

Important Mexicans suggest that one of the most immediate needs is the appointment of an ambassador to Mexico City who will at least take the trouble to learn how to speak Spanish. Since his appointment, Mr. Daniels, the present incumbent, has not only not bothered to learn the language of the country to which he is accredited, but has not thought it necessary to make friends with the members of the government.

Lacking in the American Embassy in Mexico City is that social cordiality so essential in handling impressionable and sensitive Latin Americans. Little or no effort, Mexicans claim, has been made by the American ambassador to win the trust and friendship of this country's leaders. His own staff is kept at a distance.

The appointment of an American press attaché as a regular member of the diplomatic staff, with authority to counter the continuous attacks made against the United States in the Mexican press, is regarded as a necessary and vital step toward betterment of the relations between the North American republics.

When the Nazi-Soviet propagandists disseminate lies to the effect that the United States seeks territorial possession of Mexico, for instance, there should be someone in the American embassy prepared to deny such statements with sound reasons as to why the Stalini-Nazi contentions are false.

With establishment of good will and understanding between Mexico and the United States, it would be possible to demonstrate to the Mexican authorities that Washington is concerned about fifth-column activities not only because of the threat to America but because the subversive movements are aimed at the internal structure of Mexico itself.

The suspicion of American aims generated by the Nazis and their Communist allies is so widespread and so profound, however, that almost anything Washington can or will do to smooth matters over will only arouse further antagonism. Nothing is so bitter as a family quarrel.

Somewhere, perhaps, there is a young diplomatic genius who can find an answer to Mexican-American difficulties. If he comes forward in time, perhaps Mexico can be made to realize the magnitude of the dangers it faces from within. Perhaps certain Mexican politicians can be made to realize that the Nazis can never keep their whispered promises of returning Texas to Mexico.

# Collier's

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